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24 January 1962

MEMORANDUM FOR: Comptroller

SUBJECT : Finance Division Activities

1. You will recall that on several occasions during the past months, I have indicated that it is my view that the personnel strength of Finance Division is not adequate to meet the increasing responsibilities and workload of the Division. I believe you will agree that the facts presented in the following paragraphs support and strengthen this view.
2. During the past several years the workload of the Division has shown a steady increase, and we have been required to assume additional and new responsibilities with respect to servicing employees and other Agency components. Another factor for consideration in relation to staffing requirements is the rotation program to overseas installations and the assignment of Finance Division employees to Area Division Budget and Finance offices.
3. Specific comments follow regarding areas which I feel are our greatest concern.

A. New Requirements for Trained Finance Personnel

In calendar year 1961, the following numbers of personnel were requested and assigned from Finance Division for which there were no replacements:

- (1) We have furnished four GS-7's, one GS-9, two GS-12's and one GS-11 to fill new overseas positions.
- (2) Two senior Finance Officers, GS-13 and GS-14, have been assigned to positions in other services and it is not known when we can expect their return.
- (3) This Division has furnished DPD one GS-9 and one GS-12 for which we have no replacement and there is currently a request for a GS-9 or GS-11.
- (4) Due to the growth or resignations in the Area Divisions' B&F Sections, the Finance Division has furnished two GS-5's, one GS-6, two GS-9's, two GS-11's and two GS-12's, making a total of 9 employees, and have had returned to the Division one GS-11, for a net loss of 8 employees.

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- (5) During calendar year 1961, the Division has lost, by resignation, the following: Two GS-4's, five GS-5's, three GS-7's, two GS-9's, one GS-11, and one GS-12, for a total of 14 employees.
- (6) It has been the policy of this Division to honor requests for TDY assistance at field stations. In the past year, we have furnished two GS-13's and one GS-9 for extended TDY trips. We have been tentatively approached so far this year for two such assignments.
- (7) With the inception of Project [REDACTED] in 1960, the Finance Division was called upon to furnish SF personnel, and at the close of calendar year 1961 there were one GS-13, one GS-9, one GS-8, and one GS-6 still assigned to the Headquarters phase of the project. As of this date, we have assigned at the JMWAVE installation, which appears to be a permanent installation, the following: One GS-13, one GS-12, two GS-9's, one GS-7, and we may be requested to assign another GS-7 or GS-9. At the Headquarters location we have currently assigned one GS-13, one GS-9, one GS-8 and one GS-6. It is assumed we will in the near future get these all back except the GS-6.

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We will not attempt at this time to discuss the inherent problems of the rotation program and its present requirements overseas and at Headquarters. Also, the Development Complement has not been considered in the above paragraphs.

B. Personnel Replacements

- (1) Of the twenty new employees who reported to Finance Division for duty during 1961, only three were above the GS-5 level. This does not include stenographic personnel. Thirteen of these individuals were furnished by the Office of Personnel.
- (2) A review of the educational background of the thirteen employees referred to above, reveals very little education beyond the high school level. Unless our efforts succeed towards encouraging them to pursue a secondary education, particularly in accounting, we are faced with an increasingly larger group of employees whose technical background does not equip them to progress beyond the clerical level.

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- (3) It would seem appropriate, in view of the above, to request the Office of Personnel to recruit qualified employees, preferably with accounting degrees, to fill vacancies when they exist.

C. Increase in Workload and Growth in Activities

- (1) The implementation of the Health Benefits Program, PL 86-707 (home leave for overseas service), and the Payroll Savings Plan, has made it necessary to develop new controls and procedures for payrolling personnel affected by these programs. The increase in these withholdings has resulted in additional time spent in processing each employee's account.
- (2) There are presently [REDACTED] that have been established as Type II property installations which did not exist in 1956, and this number is constantly increasing as the Office of Logistics converts Memorandum Receipt Accounts to the Type II system. 25X1A
- (3) Beginning 1 July 1960, invoices from commercial suppliers, covering procurements against confidential funds allotments, have been processed by Accounts Branch instead of by Fiscal Division. These commercial billings average about 207 monthly. INSERT
- (4) In January 1962, the Accounts Branch will begin processing shipping documents covering shipments from Headquarters and [REDACTED] and transmitting copies of the documents to the stations concerned, with a covering Schedule of Shipment. 25X1A 2
- (5) The requirements levied on the Monetary Branch are reflected in the following:

<u>Activity</u>	<u>Percentage of Increase Based on 5-year Period</u>
Number of Stations and/or Bases Supported	79%
Dollar value of advances to Field Stations	70%
Number of money pouches sent to Field	11%
Field monetary stations funding operations	54%

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Funds disbursed by Agent Cashiers	30%
Payments by Treasury Checks Drawn via Fiscal Division	329%
U. S. Dollars pouched to Field	168%
Bank Transactions: Includes bank deposits, purchase of Cashier checks, opening of new accounts, Bank transfers, etc.	183%
Monetary operated bank accounts	142%
Accounting Documents (Capital Transfers) prepared	62%

✓ (6) While the number of individuals payrolled as Staff Employees remains fairly stable, the agent-type employees are steadily increasing and the trend appears to be to place more personnel in this category under non-official cover. This cover creates a more complex compensation and tax problem. Because of these complexities, an experienced payroll clerk can service only about one-half the number of individuals being serviced as staff employees. During the last year the number of agents increased approximately 25%. The financial briefings of these agents requires the time of C&TA as well as the O&L Certifying Officers.

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✓ (7) In 1956 there were only [redacted] locations that had been established as Type I property installations, while currently [redacted] locations are Type I installations, and submit monthly reports which have to be reconciled with Headquarters controls.

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(8) In 1956 there were [redacted] field installations following Class A Accounting and Reporting Procedures as compared to [redacted] currently. Two more locations have also been established as [redacted]. In addition to a greater number of reporting installations, there are more complexities involved in the processing of financial accountings.

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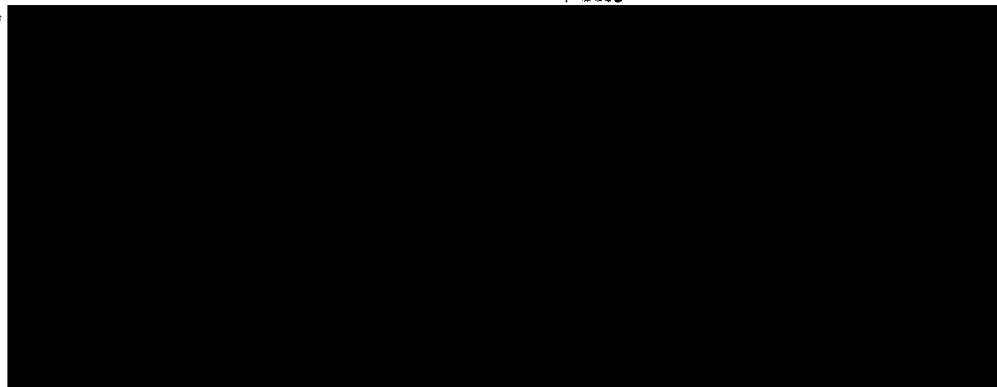
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- (9) Accounts Branch currently reviews the machine listings of and reconciles about 83 accounts as compared to 33 in 1956.
- (10) Line items on posting vouchers processed through Accounts Branch have increased 43% since 1957. This increase in posting reflects increase in workload for all Branches, as posting vouchers are prepared throughout the Division.

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✓ (11)



4. In summary, it is my view that the present personnel situation in Finance Division is critical and should be immediately strengthened if we are to maintain the capability of rendering proper financial support to operations and to maintain minimum control over Agency funds and assets.


Chief, Finance Division

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